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SENATE BILL 815

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

James G. Taylor

AN ACT

RELATING TO BUSINESS LICENSES; CHANGING THE NOTICE PROVISIONS
FOR CORPORATE LIQUOR LICENSEES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 60-6B-6 NMSA 1978 (being Laws 1981,
Chapter 39, Section 42, as amended) is repealed and a new
Section 60-6B-6 NMSA 1978 is enacted to read:

"60-6B-6. [NEW MATERIAL] LICENSES--CORPORATE,
PARTNERSHIP, LIMITED LIABILITY COMPANIES AND TRUSTS--NOTICE
REQUIREMENTS. --

A. A licensee shall notify the director within
thirty days of any change in officers or directors of the
licensee or a change of shareholders, partners or members of
the licensee, whether the change of shareholders, partners or
members is a change in the direct or indirect ownership of the

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1 licensee; provided, however, no notice or application is
2 required if an officer, director, partner or member who is not
3 required to be disclosed to the director on an initial
4 application resigns or is terminated or if an officer,
5 director, partner or member who is required to be disclosed
6 resigns and is not replaced.

7 B. A licensee that is a trust shall notify the
8 director within thirty days of any change in trustees or any
9 change in beneficiaries of the trust that are entitled to a
10 distribution of ten percent or more of the trust.

11 C. Although the following changes require notice to
12 the director, the changes do not constitute transfers of
13 ownership of the licensee:

14 (1) the licensee elects new officers or
15 directors who would be required to be disclosed if the licensee
16 were acquiring the license from a different person;

17 (2) the transfer of the liquor license to
18 another person where all direct or indirect owners of ten
19 percent or more of the transferee are also direct or indirect
20 owners of ten percent or more of the licensee;

21 (3) a person who owns, directly or indirectly,
22 more than ten percent of the licensee acquires an additional
23 direct or indirect interest in the licensee;

24 (4) a person acquires a direct or indirect
25 interest in the licensee, but does not acquire an interest that

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1 results in a ten percent or greater total direct or indirect
2 interest in the licensee;

3 (5) the transfer of an ownership interest in
4 the licensee to a person who has been involved in the business
5 of the licensee for more than two years;

6 (6) the merger of two corporations that are
7 publicly traded and that have both been previously qualified to
8 own one or more New Mexico liquor licenses; and

9 (7) the acquisition of a publicly traded
10 corporate licensee, or substantially all of the assets located
11 at one or more licensed premises at which a publicly traded
12 corporate licensee operates, by another corporate licensee that
13 is publicly traded and that has been previously qualified to
14 own one or more New Mexico liquor licenses.

15 D. The director may, by rule, define further
16 changes in the licensee that do or do not constitute a transfer
17 of ownership of the licensee. If a change in the licensee is
18 not a transfer of ownership, only a limited application shall
19 be submitted to the director. The limited application shall
20 provide the director with:

21 (1) information concerning any new officers,
22 directors, shareholders, partners, members, trustees and
23 beneficiaries of trusts;

24 (2) articles of incorporation, articles of
25 organization, partnership agreements, operating agreements,

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1 certificates of authority and documents required for trusts;
2 and

3 (3) if appropriate, proof that the licensee is
4 authorized to do business and is in good standing in New
5 Mexico.

6 E. A limited application does not require hearings,
7 notices, tax clearances or liquor wholesaler clearances. "